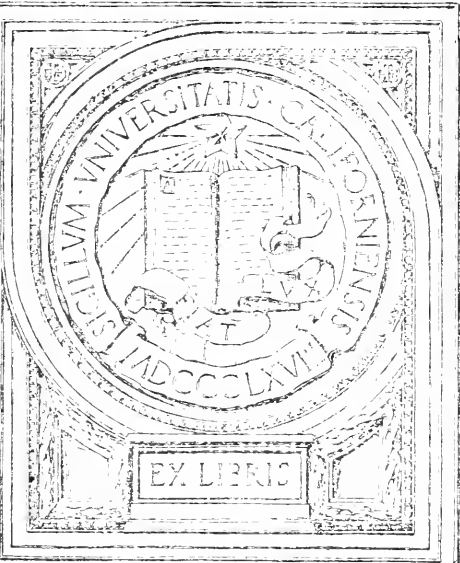


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REMARKS OF D. F. HOUSTON

SECRETARY OF AGRICULTURE

AT

CONFERENCE OF
EDITORS OF AGRICULTURAL JOURNALS



WASHINGTON, D. C., NOVEMBER 20, 1918

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THE accompanying important statement by Secretary Houston on the agricultural and food situation has been prepared from the Secretary's remarks before a conference of agricultural editors at the Department of Agriculture in Washington, November 20.

REMARKS OF D. F. HOUSTON

SECRETARY OF AGRICULTURE

At Conference of Editors of Agricultural Journals

WASHINGTON, D. C., NOVEMBER 20, 1918

I greatly appreciate your full response to my request and I would be untrue to myself if I were not also at this time, on behalf of the Department and the Government, to tell you how much the cooperation of the Agricultural editors of the Union has been valued by the Department and the Government and how much it has contributed to the campaigns for the increased production of foods and feedstuffs and, therefore, to the successful prosecution of the war. The Department has long recognized that the farm papers are perhaps the most effective printed mediums for reaching the millions of people living in the rural districts. We arrived at this conclusion a number of years ago after a very careful survey. I know of nothing that the better agricultural papers of the Union have omitted to influence thinking along right lines and to further the purposes of the Government.

I had two thoughts in asking for this conference. In the first place, I earnestly desire your advice, suggestions and criticisms as to the activities of the Department—past, present, and prospective. There is nothing which can be shown to be of value that the Department is not willing to undertake, within the limits of its powers and funds, to help the agriculture of the Nation. There is nothing that it is now doing which it is not willing to curtail or to eliminate if such action seems wise. Of course, the Department is not perfect. If it thought it were perfect, it would fail to do its duty effectively. For my part, I seek in my work here, as I hope I shall always do, to preserve an open mind and to receive every responsible suggestion and to give it the most earnest consideration.

CLEAR AND CALM THINKING NEEDED.

In the second place, I desire to canvass with you the conditions through which we are now passing, to assess them as fully as possible, to see what direction our further thinking should take, and to unfold to you our thoughts and plans. Unquestionably, there is need of very clear and calm thinking and of discovering as fully as possible the

direction which our forces and activities should follow. If the whole Nation can maintain its customary poise and view its complex tasks in a calm spirit, much of our difficulty will disappear. In times of great change, of rapid world movements, no little hysteria naturally develops. One sitting at a Nation's capital, dealing with vast interests, is likely to get the impression that there is more of it than actually exists. This arises from the fact that in a democracy, with masses of intelligent people, there are those who are always on the job of planning and of furnishing suggestions. This is the strength of democracy and it is also one of the difficulties of democratic government. Many proposals are made affecting every great national interest and undertaking. In our particular field, since food has played such an important role in recent years, many views are laid before the public, some of them from responsible individuals and organizations, some of them from those of another sort; and alarms are sounded. Not a few suggestions of world famine and of impossibility of supplying our own and other peoples are offered. Apprehensions are aroused. Waves of impressions and suggestions come into this office; and, unless one keeps his balance, he is especially likely to develop the feeling, as I have said, that all the people are hysterical. This, of course, is not true. The great masses of our population are not greatly excited. They have maintained their steadiness during the period of stress through which we have passed and they will maintain it for the future.

ONLY THREE PERIODS AT ALL COMPARABLE.

It is not singular that many people should be disturbed and apprehensive in times of great change; and, therefore, particularly at the present time; for, obviously, we are in the midst of the greatest changes the world has witnessed. It seems to me that there are only three other periods in the world's history at all comparable with the present in point of interest and in respect to the nature and extent of changes and possibilities. The first is the breaking up of the Greek civilization. It doubtless appeared to the people of the time that they were witnessing the collapse, if not the destruction, of civilization. The same, in general terms, may be said of the period of the decline and fall of the Roman Empire. We know now that those periods were not periods of decay, but rather of the dispersion and diffusion of the civilized agencies and forces of the world over larger areas, affecting favorably many more millions of people. The third is that which is marked by the dissolution of the medieval system and the discovery of a new world, with all its consequences.

FINAL BLOW TO MEDIEVALISM.

The fighting has ceased. It will not be resumed in the near future perhaps on any scale whatever; and, if at all, in restricted fashion. Do you realize what apparently has been accomplished or what is in sight? In general terms, the most striking fact is the giving of the final blow to medievalism in the world, revealed in the downfall of arbitrary power which has sustained itself through an imposing military array. It is almost incredible that the Romanoff dynasty, which a few years ago seemed to be one of the most firmly fixed facts in the world, has disappeared; that the Hohenzollerns, in some respects even more firmly planted, have gone; and that the Hapsburgs have fallen and, with them, princes and potentates of varying degrees. Think of the wrong done to France righted in the probable restoration of the territories taken from her by force, of a restored Polish state which was broken up by conspiracy and arbitrary forceful aggression more than a century ago, and of the appearance of other unified nationalities based upon race, language, and community of purpose, such as the Czecho-Slovaks and the Southern Slavs! Is it not interesting to contemplate, too, the possibility of the elimination of the Turks and of Turkish rule from Europe? What appeals to the imagination more strongly than the final accomplishment of what has been sought by crusaders through the ages—the recovery of the Holy Land by Christendom? How impossible would it have seemed a few short years ago that the allied nations of the world would assent to the principle of dealing with peoples everywhere on the basis of the interests of such peoples? And how foreign to the thinking of the Central Powers the thought that small nations have as much right to exist as the greatest and that it makes a difference not so much how big a nation is as what kind of a nation it is? Who would have dreamed that there would be community of purpose in the matter of reducing armaments and of relieving the world, in fuller measure, of the burdens of militarism and of the effective development of a will to secure respect for the common purpose of decent peoples through association backed by an adequate international police? And above all things do we realize that we have saved for the world “the rule of law” among nations, given international law a new sanction and validity, and made it impossible for any arrogant power again to regard such law and treaties solemnly entered into as scraps of paper. Has not the purpose of the nations, crystallized in the phrase of the President “to make the world safe for democracy,” been secured?

NO JUSTIFICATION FOR EXCESSES HERE.

There are those who think that parts of the world have progressed even beyond the rule of democracy and will be committed to perversions of it. Personally, I do not fear that any considerable part of the world will run to excess for a very long period. I have no great fears as to England, France, Switzerland, the United States, or any of the other great free nations of the world. They are democratic. In democracies there is no good cause which can not secure a hearing and, in reasonable time, get itself expressed through the ballot. Democracies are not places where attempts of misguided minorities to force their will upon the majority by radical and violent methods flourish. A minority has a right fully to expose its legitimate purposes and to try to persuade the people to support them; but if it can not do so, it has no right to resort to force. The great majority of the people in this country clearly understand this. Unfortunately, there are a few, many of them only recently among us, who do not see this. They have not caught the meaning, the spirit, and the purpose of democracy. They think too exclusively in terms of some other country entirely differently circumstanced; and they are confused by words. I can understand how peoples who have lived in Germany might realize the necessity of resorting to extreme measures to enforce their views; because there the masses of the people have not been consulted in governmental matters affecting their lives and fortunes. It is easy to see how they might undertake, by using force and violent measures, to break down tyrannical, dominating elements and existing institutions. Excesses in Europe will abate as real democracy makes headway. There is no justification for them here and they will not be tolerated by the settled democracy of the other free powers of the world. I am not afraid that the great thoughtful masses of the American people will be swept from their moorings and will abandon their standards and principles. Still, there is always need of vigilance and of clear thinking. There are those among us who are either ignorant, misguided, or vicious who assiduously spread misinformation; and, for innocent, selfish, or pernicious reasons, arouse, or seek to stir up prejudices and unrest.

The remedy is the old remedy of education; and I speak of these things because they indicate the great responsibility resting upon the agricultural press of the Union and a great duty and privilege, although I recognize as clearly as you do that you have to deal with a constituency as deeply grounded in the principles of democracy and in understanding of its essence, if not more so, than any other great group in our country.

THE FOOD SITUATION.

Turning now more immediately to our particular problem, I find, as I have no doubt you do, more than a normal amount of interest in the food situation and much discussion of it. In respect to this matter, there is no little confusion and misunderstanding. There are those, as I have said, who are raising alarms. They have in mind the present condition of the populations of Europe; and represent that, in view of the disturbed conditions there, they will not be able to sustain themselves and will take such supplies from this country as will make it impossible for us to supply our own population.

It is highly important to keep two things separate and distinct. For a year we shall be concerned primarily with *available* food supplies and with domestic and foreign demands for them. The matter of planting during the ensuing year and of the harvests a year from now are quite different things; and each of the two must receive discriminating consideration.

FARMERS' RESPONSE MAGNIFICENT.

This Nation is, relatively speaking, very fortunately circumstanced with respect to its supplies of food and feedstuffs. The farmers of the country have responded magnificently. They have expanded their operations not only because of the expectation of satisfactory returns owing to the prevalence of large demands and good prices, but they have also patriotically heeded the appeals of this Nation and of the Allies for increased production. The facts speak for themselves. In spite of all the difficulties, of labor disturbance and confusion in every direction, the first year of the war, 1917, the farmers planted 23,000,000 acres more of the leading food crops than in 1916 and 32,000,000 more than the five-year pre-war average, and produced record crops of most products except wheat. Of course you gentlemen know that the partial failure of the wheat crop was in no wise due to lack of interest or activity on the part of the farmers. They planted a large acreage, but had the misfortune to lose by winter killing the largest percentage of it ever recorded. They further increased the acreage of the principal food crops in 1918, and indications coming to the Department from the various channels at its disposal show that, in response to the suggestions of the Department, they have enlarged their plantings of winter wheat and rye this fall. The total production of the leading cereals in 1917 and also in 1918 exceeded that of any preceding year in the history of the Nation except 1915. While the figures for 1918 show a decrease below 1917 of 160,000,000 bushels, it can not be said that the available supplies for human food or the aggregate nutritive value will be less this year than in 1917. The estimated wheat crop for the current year is

approximately 919,000,000 bushels, compared with 651,000,000 in 1917 and 636,000,000 in 1916. The corn crop, although considerably less than that of last year, exceeds the five-year average, is above the average in quality, and is greatly superior to that of 1917. It has been estimated that, of the large crop of last year, approximately 900,000,000 bushels were soft. This, of course, was valuable as feed for animals, but less so than corn of normal quality. It should be remembered that on the average, only about 12 per cent of the corn crop is annually consumed by human beings, and that not more than 26 per cent ever leaves the farm. Furthermore, the stocks of corn on the farm on November 1 are considerably larger than those of last year.

The farmers also have been very active in the matter of live stock production. They greatly increased the number of all classes of live stock in 1917 and all indications point to the fact that there has been a still further increase during the current year, although final figures are not yet available.

LARGE DEMAND FROM EUROPE.

Undoubtedly the demand from Europe for available foodstuffs until the next harvest season will be greater. England's food production has increased during the war, but England still is, and will continue to be, an importer of foodstuffs. France's production increased this year over last year, but did not return to normal. She will need unusually large supplies. Belgium, Poland, Holland, Norway, Switzerland and other countries whose production has been greatly disturbed, or which normally import foodstuffs, will call upon us; and it seems clear that contributions must be made, in no inconsiderable measure, to the peoples of Austria and to some extent, of Germany. Even our former enemies must be considered if for no higher motives than those of enlightened selfishness. The world can not afford to have a prevalence of chaos and riot in any part of it if it can be prevented. Hungry people are dangerous, and reasonable sustenance is a prerequisite to the return of normal conditions and the securing of democratic institutions. Unquestionably, there are considerable supplies of foodstuffs in parts of Germany, in Southeastern Austria, and in the Ukraine, but the conditions are disturbed and especially the means of transportation. The problem in these countries primarily is one of mobilizing supplies and of transporting and distributing them.

DIFFICULT TO FORECAST SITUATION YEAR HENCE.

The foreign demand will be for a great variety of foods and feedstuffs, but especially for certain kinds of fats. It is, therefore, highly probable that prices for current supplies for the harvests of this

year, both because of large foreign needs and of continuing domestic demands, will remain reasonably high and remunerative to producers.

When we come to consider the situation which will prevail a year from now and what should be done in respect to further production, particularly in planning planting operations for next spring, we encounter more difficulty in making a forecast. There are too many unknown factors. We must remember that European nations will omit nothing to produce those things with reference to which they can get a prompt response; that is, bread grains and feedstuffs. If conditions settle down and order is restored, all pains will be taken to systematize production and to have those countries become as fully self-sustaining as possible. Again, in all probability, restrictions on trade movement will gradually be removed and ocean as well as land transportation will return to normal in due course. They will doubtless improve in the near future. Foreign nations will more and more look to their former distant sources of supply. We know that, while the Argentine crop this year was not as good as it has been, it was reasonably large. Argentina also had a surplus. The Australian crop was satisfactory and there, too, were considerable surplus stores. Algeria, I am told, has a 25,000,000-bushel exportable surplus of wheat. We have witnessed in this country, as I have said, a record fall planting of wheat and the sowing of a large area of rye. We do not know how these crops will come through the winter. If the condition should be favorable, we shall, of course, realize an unusual harvest. We shall not have available until after the beginning of the new year the estimates of live stock in this Nation.

TOO EARLY TO SUGGEST SPRING PROGRAM.

It is clearly, therefore, too early to make detailed suggestions for the spring planting, and I know of no one who is wise enough to say what the supply and demand will be and the prices which will prevail a year from now. The Department of Agriculture and the agricultural colleges and other organizations will continue to study the situation, keep close track of developments and, at the proper time, in advance of the next planting season, will be in a position to offer suggestions. In the meantime, we must not fail to adopt every feasible means of relieving the farmers of economic burdens. We are taking active steps to perfect the local organizations cooperating with the Federal and State agencies, so that we may more effectively execute any well considered plan that later may be devised.

DEMOBILIZATION OF ARMY.

Much interest naturally attaches itself, now that fighting has ceased, to the matter of reconstruction or readjustment of industry and of agriculture. This involves, of course, the demobilization of the Army and the return not only of millions of men from military life to their former civilian pursuits, but also the release of a great number of laborers from industrial establishments which were greatly expanded to meet special war requirements. The process of demobilization is under way. Plans are on foot to vacate the camps in this country and to send back within a very few days a quarter of a million men. I can not speak officially as to the time or method of withdrawing men from France. How many men we shall have to keep there for a considerable period, I do not know. The war is not yet over. We are still in a state of war. We shall have to assist in the military occupation of German territory. Even if there were no work for any part of the Army in France, we probably could not get all our men back, under the most favorable transportation conditions, in much less than a year. We must expect that they will be returned by installments. Naturally those outside of the regular Army who have been abroad longest will be brought back first. This, I assume, will be the guiding principle. It would be impossible to act exclusively on the principle of returning men by occupations. Such a plan would disrupt the Army units, but, within all possible limitations, in withdrawing men due regard will be had to essential occupations, including agriculture.

OPPORTUNITIES MUST BE GIVEN RETURNING SOLDIERS.

What shall we do with the men when they return from France and what will become of those engaged in specialized war industries? Is it likely that we shall have to be concerned with the larger percentage of our boys? Will not those who have come from the farms, who own farms, or who lived on their father's farms, as a rule, return to them as quickly as possible? Certainly the farms need them. Many others have professions, trades, or occupations awaiting them. The experience of some of the nations to date, especially Canada, would seem to indicate that the greater percentage of the returning men will not call for special action on the part of the Government. Canada has been in the war nearly five years. Many men have returned who could not be sent back to the Army. A Canadian official recently told me that 90 per cent of the returning men did not wish to be bothered and that they had to interest themselves, therefore, in only approximately 10 per cent. However, no one will hesitate to say that every consideration must be given to returning soldiers who have no places waiting for them and who will be seeking

new tasks. They deserve well of the Republic, and those who wish to go into farming, who have had any experience which would make such an occupation probably profitable for them, must be furnished every opportunity. The Nation and the states will unquestionably come to their assistance and every feasible thing will be done to secure for them the opportunities they seek somewhere in industry or in agriculture.

STILL PIONEERING THE COUNTRY.

Of course, this country is not yet filled up. In a sense, we are still pioneering it. It is estimated that there are 1,140,000,000 acres of tillable land in the United States and that only 367,000,000 acres are actually in cultivation. Of course, much of the best land, especially that most easily brought under cultivation and in reasonably easy reach of large consuming centers, is in use, though much of it, possibly 85 per cent, is not yielding full returns. Extension of the farmed area will consequently be made with greater expense for clearing, preparation, drainage, and irrigation, and for profitable operation will involve marketing arrangements of a high degree of perfection and the discriminating selection of crops having a relatively high unit value.

We must consider this whole question in the light of the recent past and of the probable future developments. Many people think too much in terms of today. How many of you realize that this Nation, in the 15 years from 1900 to 1915, gained a population of 22,000,000, nearly three-fifths that of the Republic of France, a Nation with producing and consuming power probably greater than that of any South American country. It is estimated, also, that since the European war broke out our population has further increased nearly 3,250,000, largely through natural growth. We have taken care of this population. Those who have wished to farm have found places. Doubtless we shall gain 15,000,000 or 20,000,000 in the next fifteen years, and these, too, we shall take care of. These, too, will benefit from agencies working for the betterment of rural life which, in point of scope, personnel, financial support and effectiveness, excel those of any three nations in the world combined. It is an urgent duty of all these agencies to assist those who are entering upon agriculture for the first time.

PROBLEM ONE OF EMPHASIS AND SELECTION.

What else stands out for consideration in the field of readjustment? I am now thinking, of course, of agriculture. Is it likely that many highly promising, novel, and original things can be suggested and put into practice? Agriculture probably was the best prepared interest in the Nation when the war came on. Through wise provision the country had secured an organization which was ready to function in all

directions. The problem was one of emphasis and selection rather than one of new departure. And for the future, is it not likely that it will continue to be one of emphasis and selection rather than of novel enterprises? I have sought light on this problem from many sources. I have asked for suggestions in many directions and, for the most part, all that I have received to date confirm the view that we shall continue the process of selection and emphasis rather than attempt novel things.

CONSTRUCTIVE LEGISLATION IN LAST FIVE YEARS.

The last five years were especially fruitful of legislation helpful to agriculture. The first striking achievement was the adoption of the Federal Reserve Act and the organization of the system. Anything that improves the finances of the Nation, that makes them sound and enduring, helps every citizen. It seems providential that the Reserve system should have been inaugurated before the breaking out of the European war. This war involved financial burdens and strains such as no economist imagined any country could stand; and yet this Nation has, by reason of the operations of the Federal Reserve Board and of the reserve banks, proceeded in orderly fashion with its finances. It has met its own needs and has come to the rescue of the countries with which we are associated. In no former period, either of war or of peace, were we able to weather any considerable financial storm. During the Revolutionary War our finances were chaotic. We promptly suspended specie payments at the beginning of the war of 1812, and also when our Civil War came on. During the period of expansion in the '30s, we suspended specie payments and did not resume them for a number of years. In 1873, by reason of the over-trading following the Civil War, we had a suspension within a suspension. Twenty years later we were in trouble again, and in 1907 we had difficulties of a special and peculiar nature. What would have been the course of things if we had been less fortunately situated in this war no human being can tell.

The Federal Reserve Act not only enabled us to sustain our whole financial structure and to permit all industries to survive the financial crisis, but it took special note of the farmers' needs. It permitted national banks to lend on real estate and gave to farm paper a maturing period of six months. Later came the Farm Loan Act, with whose terms and operations you are familiar. Notwithstanding the fact that this measure was passed and the system put into operation in a time of great stress, it has made marked headway and furnished great relief. Other measures, well known to you, are the cooperative Agricultural Extension Act, the Federal Aid Road Act, and the Grain Standards, Cotton Futures, and Warehouse Acts. I might add to

this list the provision creating a Bureau of Markets, under which has been developed the most effective organization of its kind in the world, with available funds this year of \$4,000,000 or \$5,000,000. The Bureau is rendering valuable service to agriculture in very many directions. Particularly significant and helpful are its Market News Services, which are furnishing information of great value daily to producers throughout the Union and have, in some sections, converted hazardous agricultural enterprises into successful businesses.

RESUMPTION AND EXTENSION OF HIGHWAY CONSTRUCTION.

There remain other things to do. I can only sketch them. We must resume as quickly as possible, in full measure, the operations under the Federal Aid Road Act. You understand why they had to be contracted during the war. It is highly important that they be resumed. I need not emphasize before you the fact that good roads are prerequisite for better agriculture, for orderly distribution, and for a healthful and attractive country life. From unexpended balances of Federal appropriations for the last few years, from State funds beyond what was necessary to meet the Federal allotments, and from amounts available during the current fiscal year, we shall have for expenditure during the calendar year approximately \$75,000,000. Next year, if all the balances should be expended during this year and we should have to rely solely on the funds accruing next year, we shall have from Federal appropriations about \$20,000,000 and probably more than this amount from state sources. The states, in addition, will expend sums in excess of what they have assigned, or will assign, for Federal aid road projects. Still, it seems to me that we should take a further step—take this step not only because of the importance of good roads, but also because of the desirability of furnishing worthy projects on which unemployed labor during the period of readjustment may be engaged. There will be many things suggested for which Federal and state funds will be sought. Some of these will be unworthy. Clearly such public works as roads are worthy, and it would be in the public interest to make available larger appropriations from the Federal treasury, to be used separately or in conjunction with State and local support.

NECESSARY MACHINERY ALREADY EXISTS.

There need be no delay in the execution of such a program. The Nation has already provided the machinery in the Department of Agriculture and in the state highway commissions. The Federal Aid Road Act was fruitful of good legislation and each state in the Union now has a central highway authority with power and funds to meet the terms of the Federal Act. The two agencies, in conjunction,

have been engaged in devising well-considered road systems and in making surveys, plans, and specifications. The task will be one of selection and those roads should be designated for improvement which are of the greatest economic importance, with due regard to such military and other needs as are proper for consideration. There is no necessity for any departure from this scheme. The suggestions made have been canvassed with the President, the Secretary of War, and the Postmaster-General, and they are in accord with the view that additional funds should be made available to this Department and that they should be expended through existing machinery.

PERSONAL CREDIT UNIONS.

Another task remaining in the field of finance is to provide a proper system of personal credit unions, especially for the benefit of individuals whose financial circumstances and scale of operations make it difficult for them to secure accommodations through ordinary channels. I am not oblivious to the fact that banks now make short term loans of a great aggregate value to farmers possessing commercial credit, but there are those who can not easily avail themselves of the facilities they offer. This would appear to be a matter primarily for state consideration and state action. Such course has been approved by many of the best economists and seems to have been that sanctioned by the Joint Committee of Congress. The Department has formulated a tentative model law for personal credit unions and is ready to place itself at the service of any state which is ready to undertake legislation in this field. A number of states already have adopted laws for personal credits. In most cases, however, the associations formed under them are composed of urban workers. The North Carolina law apparently has had more fruitful results in respect to rural associations. This is due, in no small measure, to the provision made for educational activity.

The foundation for effective work in this field is the promotion of cooperative associations among farmers in general—associations of people who have a very definite difficulty to overcome. This Department has labored steadily to advance this movement and will continue its efforts to the limit of its powers and available funds.

LAND SETTLEMENT.

I have already directed attention to a phase of the problem of land settlement. I have pointed out that we are still, in a measure, pioneering the country and that we shall be called upon to take care of many more millions of people. Of course, we cannot induce people to stay in the country districts or to take up farming unless we make rural life profitable, healthful, and attractive. Farmers can not

produce merely for the love of it. They must consider their bank balance just as other business men do. In the long run, as many people will engage in farming as are necessary to produce the supplies needed by society and taken by society at a price which will justify the operation. Farming must pay and that is a prerequisite to its extension. The task of the organized agricultural agencies of all sorts is to improve rural life so that it will be profitable to the present farmers and attractive to those seeking new enterprises. They must omit nothing to improve processes, to promote economies, and therefore to relieve farmers of economic burdens in production, to control and eradicate animal and plant diseases and insect pests, and to better distribution and marketing.

It would be desirable to facilitate land settlement in more systematic fashion. This has too long been left to the haphazard intervention of private enterprises, and the Nation has suffered not a little from irresponsible private direction. I think it is high time for the Federal and state governments both, as well as local communities, to seek to aid in land settlement by furnishing actual facts, reliable information, and agricultural guidance to beginning farmers and to promote well-considered settlement plans.

OWNERSHIP OF FARMS SHOULD BE ENCOURAGED.

It is particularly vital that the process of acquiring ownership of farms be encouraged and hastened. This is now the process. Tenancy has its dark sides, but it also has its bright sides. In no inconsiderable measure, it is a step towards ownership. It is a stage through which many of our owners have passed and are passing. It is a stage at which the young farmer, in many instances, begins his career. The statistics indicate that 76 per cent of farmers under 25 years of age and that only about 20 per cent of those over 55 are tenants. With few exceptions, in the older sections of the Union owning farmers form the largest percentage of the farming population. Characteristic exceptions are found in such states as Illinois, where, for peculiar reasons, a high degree of tenancy and of absentee ownership exists. On the whole, the conditions do not furnish ground for pessimism. Still, it is incumbent on us to take every feasible means of expediting the process from tenancy to ownership. A helpful influence in this direction is the farm loan system and especially its practice of having vendors of land take second mortgages subordinate to the first mortgage of the land bank, enabling the farmer to secure a better rate of interest and to make payments over a long term of years. I have no doubt that the development of the principle of cooperation, especially in respect to personal credit unions, would be a further step for hastening this process. In the meantime, let us study carefully the

terms of tenancy with a view to secure to the tenant such interest as will permit soil development and assure to him a reasonable share of the returns.

STOCK YARDS AND PACKING HOUSES.

The matter of the supervision of stock yards and packing houses presents a problem about which there has been much discussion. The restoration and maintenance of conditions which will justify confidence in the live stock markets and the meat packing industry is the greatest single need in the present meat situation in the United States. As you know, the Department, at the direction of the President, is now administering under license the control of the stock yards and related industries. The important results already accomplished under this authority clearly demonstrate its usefulness and emphasize the desirability of continuing it or some other adequate form of supervision.

The question also of exercising similar authority over the slaughtering, meat packing and related interests is one for serious consideration. The Food Administration has placed limitations on profits on meat and by-products handled by these establishments and has required the installation of uniform accounting systems. In this way the centralization of control by a small group of packers has been materially checked. The economic welfare of meat production and distribution would be promoted by the continuation and development in some form of the supervision over the packing industry. Such control, of course, should be closely coordinated with that of the live stock markets, and there should also be established a central office to which packing concerns should be required to report currently in such form and detail that it would be constantly informed concerning their operations. The necessary legislation should be enacted at the earliest possible moment.

The situation apparently requires three remedies, namely, regulation, information, and voluntary cooperation. Federal regulation, organized and administered as indicated and exercised in close harmony with the regulatory bodies of the various states, is the most essential feature. Constant publicity, under Government direction, of current market prices, supplies, movement, and other conditions pertaining to the marketing of live stock, meats and animal by-products would materially increase its effectiveness. It would also be a means of stabilizing the marketing of live stock and its products and of making available the information required by producers and distributors in the marketing of their products. A beginning already has been made in the creation of machinery for such service at market centers and legislative authority for its further development should be continued and extended. Furthermore, better organization of

live stock producers and closer cooperation between their organizations and those representing the different classes of intermediaries, working in harmony with appropriate Government agencies, would also add to the effectiveness of regulation and would be beneficial to the packers and distributors as well as to the producers and consumers.

FEDERAL FEED AND FERTILIZER LAWS.

Some complaints have reached the Department recently regarding commercial feedstuffs. We have been studying the situation and it seems to me that it would be desirable to have a comprehensive Federal feed law placed upon the statute books. At present, in order to secure for the public the benefits of the provisions of the Federal Food and Drugs Act with reference to animal feeds, it is necessary to rely on the appropriate statutes of the different states. These are not uniform and there are a few states which have no laws that can be invoked. Under a Federal law, framed along right lines, it should be possible for the Government to proceed in a uniform manner and to secure to consumers protection against misbranded, adulterated, and worthless feeds entering into interstate commerce. Similar legislation with reference to fertilizers passing into interstate commerce probably would be feasible and valuable. At the same time, it would be wise to make provision for securing comprehensive and reliable information regarding commercial fertilizers. I am convinced that there is much indiscriminate use of them at present and, therefore, much waste of money. This arises from the lack of available, satisfactory data. As the matter is one of importance to the whole Union, I believe the Department should participate in the work and that the requisite funds should be provided for cooperative experiments with State institutions.

CONTINUATION OF EMERGENCY ACTIVITIES.

Under the Food Production Act of August 10, 1917, the activities of the Department have been expanded in many directions. This is particularly true of the extension forces, including the county agents, the work relating to the control and eradication of animal diseases, and the market news services. That the efforts of the Department in emergency directions have produced valuable results is indicated by expressions coming from all sections of the Union. If the finances of the Nation permit it, it seems clear that adequate provision should be made for the continuance of at least a part of the work after the end of the present fiscal year. I have already transferred to the regular bill the estimates for some of the emergency work of the Bureau of Markets. It would also be wise, I think, to anticipate the amount that will accrue under the Agricultural Extension Act when

it reaches its full development in 1922 and to make such further provision as may be necessary for the continuance of agents of proved efficiency already on the rolls, as well as to continue the intensive work for the more speedy control and eradication of tuberculosis, hog cholera, and the cattle tick, and other important lines of work. Expenditures for these activities are investments.

RURAL HEALTH AND SANITATION.

The question of rural health and sanitation is one to which I have given a great deal of thought. It seems to me that we should omit no effort to see to it that the benefits of modern medicine accrue more largely to the scattered populations of the rural districts. The economic waste from insanitary health surroundings and from disease is enormous. It is impossible to estimate its extent. It is even more impossible to assess the amount of existing, preventable human misery and unhappiness. The remedy is difficult. Many agencies, including some private enterprises, are working for improvement, and states and medical societies are contributing. The extension and improvement of agriculture, including the drainage of lands, the clearing of swamps, and the construction of good roads, make for betterment. The Department of Agriculture, through its home demonstration service, is giving valuable aid and the public health service is increasingly extending its functions. A vast deal, however, remains to be done to control such pests as mosquitoes and the hookworm, to eliminate the sources of typhoid fever, and, even more, to give the country districts advantages of modern hospitals, nursing, and specialized medical practice. To what extent the further projection of effort is a matter for state or local action remains to be determined, but it seems clear that there should be no cessation of activity until there has been completed, in every community of the Union, an effective sanitary survey and, through the provision of adequate machinery, steps taken to control and eliminate the sources of disease and to provide the necessary modern medical and dental facilities easily accessible to the mass of the people.

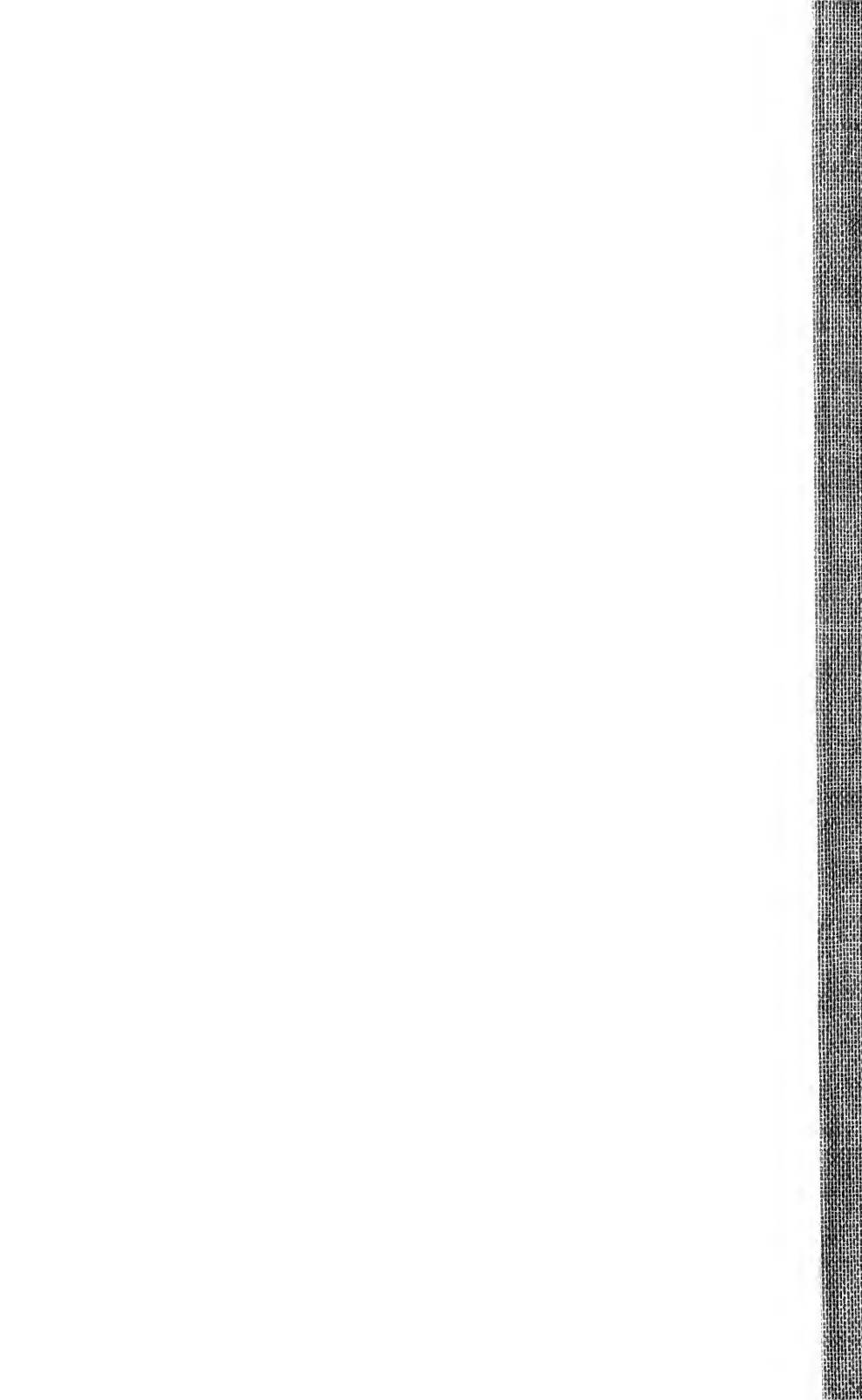
FARM ECONOMICS AND FARM MANAGEMENT.

I have also been keenly interested all my life in the economics of agriculture, and I have therefore not only emphasized in my mind the necessity for developing a strong and effective Bureau of Markets, but also an organization here for the satisfactory study of the difficult problems of farm economics and farm management. I have by no means been satisfied with some of the work of the present Office of Farm Management. I refer especially to the studies of the cost of farm crops. It is unnecessary for me to point out the difficulties of

securing accurate statistics on the cost of producing an agricultural commodity. Corn, for instance, is produced by perhaps 6,000,000 farmers over a continental area. It is difficult enough to ascertain the cost of producing corn on a single farm where there are complex operations. It is equally difficult to secure averages in a given area that are helpful guides. It is even more difficult where a tenant is involved. Still, averages are the best that we can get. A prerequisite, however, is that they shall be based on actual and distinct studies on many individual farms and that the facts shall be tabulated, carefully interpreted, and set out under the proper limitations. This is not true with reference to the studies recently much discussed. Competent, impartial economists and students of the subject, after careful investigation, reported that the studies were little more than expressions of opinion based on impressions received from conversations with farmers, that the interpretations and expositions were highly unsatisfactory, and that the conclusions as given were misleading.

I have the whole problem actively in mind. I am calling into conference the best students of farm economics in the Nation, including the heads of state farm management departments, some of which have developed programs superior to parts of ours, and I shall hope, at the proper time, to lay before Congress a carefully considered series of projects for an enlarged Office of Farm Management. I shall ask for sufficient authority and funds to secure the services of the best staff available and shall plan to work in close cooperation with well-equipped departments in state colleges and universities. It is my hope that the Nation shall not again be caught without adequate and reliable cost of production data as a basis for its thinking and acting. Of course, I realize that farm management is much more than mere studies of costs. It involves land settlement, studies of ownership and tenancy, of the relation of crops, of domestic and foreign supplies in relation to domestic and foreign demand, and many other things.

I have in mind, I trust, not only further concrete principles for the improvement of the agriculture and rural life of the Nation, but a vision of rural life towards the realization of which I hope to see the Department, the colleges, agricultural organizations, farm papers, and all other agencies in the country steadily work.



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